



ARTICLE 3 & 5 OF THE EU SUSTAINABLE FINANCE
DISCLOSURE REGULATION (EU SFDR)
ALLIANZ GLOBAL LIFE DAC

AUTHORIZATION:

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Article 3 EU SFDR

Our understanding of sustainability risks comprises environmental, social or governance (ESG) events or conditions which, if they occur, may potentially have material negative impacts on the assets, profitability or reputation of the Allianz Group or one of its group companies. Examples for ESG risks are climate change, loss of biodiversity, breach of recognized labor standards, corruption.

For unit-linked insurance products, AGL's investment decisions are limited to the selection of funds that are available for customers as underlying of the insurance product. Furthermore, AGL is involved in the fund selection process for unit-linked insurance products where customers bear the investment risk, and with that the sustainability risk of the funds or other units in which the insurance premium is invested. AGL expects the asset managers of the unit-linked funds or of the underlying asset of the unit-linked funds to be a signatory to the Principles for Responsible Investment (PRI) or to have their own ESG policy in place.

For more information on Allianz's management of ESG risks in our investment processes, please see [Group Sustainability Report \(section 03.2\)](#) and [ESG Integration Framework](#).

For more information on AllianzGI's ESG approach, please see [here](#).

Article 5 EU SFDR

The Allianz Group remuneration policy which is applicable to all Allianz operating entities addresses the integration of sustainability risks in a number of ways:

- 1. Target setting principles:** Selected key performance indicators form the basis for the financial and operational targets for the variable compensation at operating entity level. These targets shall include, where appropriate ESG-related performance indicators and shall be designed to avoid excessive taking of ESG risks. For unit-linked insurance products, AGL's investment decisions are limited to the selection of funds that are available to customers and as a result have been deemed exempt for the purposes of setting such key performance indicators.
- 2. Variable remuneration of Allianz Board Members – malus regulation:** Variable remuneration components may not be paid, or payment may be restricted, in the case of a significant breach of Allianz standards and policies, including the Allianz Standard for Reputational Risk and Issues Management and the ESG Functional Rule for Investments. These two internal policies govern the management of ESG risks for investment transactions. For more details on ESG risk management see “disclosure under article 3” and [ESG Integration Framework](#).

For more details on the Allianz remuneration system, see [here](#).